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Follow-up International Conference on Financing for Development to Review the Implementation of the Monterrey Consensus

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General debate on financing for development: consideration of the draft outcome document of the Conference

Draft outcome document of the Conference

Note by the President of the General Assembly

By resolution 62/187 of 19 December 2007, the President of the General Assembly was requested to initiate informal consultations with a view to preparing a draft outcome document for the Follow-up International Conference on Financing for Development to Review the Implementation of the Monterrey Consensus. The text of the draft outcome document of the Conference as prepared on the basis of those informal consultations, which were chaired by the Co-Facilitators, Maged Abdelaziz (Egypt) and Johan Løvald (Norway), is hereby transmitted to the Conference for its consideration.

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Draft outcome document of the Follow-up International Conference on Financing for Development to Review the Implementation of the Monterrey Consensus, submitted by the President of the General Assembly in accordance with General Assembly resolution 62/187: Doha outcome document on reviewing the implementation of the Monterrey Consensus*

Introduction
Reaffirming the goals and commitments of the Monterrey Consensus

1. We, Heads of State and Government,/**We, Heads of State and Government, Ministers, special representatives and other representatives and heads of delegations,** gathered in Doha, Qatar, from 29 November to 2 December 2008, almost seven years after the landmark International Conference on Financing for Development,[1] held in Monterrey, Mexico, reiterate our resolve to take concrete action to implement the Monterrey Consensus and address the challenges of financing for development in the spirit of global partnership and solidarity. We once again commit ourselves to eradicate poverty, achieve sustained economic growth and promote sustainable development as we advance to a fully inclusive and equitable global economic system.

2. We reaffirm the Monterrey Consensus[2] in its entirety, in its integrity **and in its holistic vision,** and recognize that mobilizing financial resources for development and the effective use of all those resources are central to the global partnership for sustainable development, including in support of the achievement of the internationally agreed development goals, including the Millennium Development Goals. We **also** reaffirm the importance of freedom, peace and security, respect for all human rights, including the right to development, the rule of law, gender equality and an overall commitment to just and democratic societies for development, as spelled out in the Monterrey Consensus. **In this context, we express our concern over the recent setbacks for democracy in a number of countries. We reiterate that each country has primary responsibility for its own economic and social development and that the role of national policies, domestic resources and development strategies cannot be overemphasized. At the same time, domestic economies are now interwoven with the global economic system and, inter alia, the effective use of trade and investment opportunities can help countries to fight poverty. National development efforts need to be supported by an enabling international economic environment, while affording the necessary policy space for developing countries.**

2 bis. **The environment for financing for development has improved over the past six years, primarily due to a significant improvement in domestic savings**

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* **The language appearing in bold is not yet agreed.**

[1] *Report of the International Conference on Financing for Development, Monterrey, Mexico, 18-22 March 2002* (United Nations publication, Sales No. E.02.II.A.7).

[2] Ibid., chap. I, resolution 1, annex.

of developing countries, but also because of a sustained expansion in world trade, record private capital flows, higher remittances, a reduction in debt burdens, especially in heavily indebted poor countries, and a reversal in official development assistance (ODA) from earlier declines. The development impact of these flows is enhanced by a commitment to free market principles, including the rule of law, respect for private property, open trade and investment, competitive markets and efficient, effectively regulated financial systems. These principles are essential to economic growth and prosperity, and have lifted millions out of poverty and have significantly raised the global standard of living.

3. **We recognize that the international context has changed in profound ways since we met in Monterrey. There has been progress in some areas, but inequality has widened. We welcome the substantial increase in public and private flows since 2002, which has contributed to higher economic growth in most developing countries and a reduction in global poverty rates. Yet we express our deep concern/, against the background of an increasingly globalizing world economy,/that the international community is now challenged by the severe impact/on development in/developing countries of multiple/ interrelated and mutually exacerbating/global crises/challenges, such as/ increased food insecurity, volatile energy/commodity/prices, climate change and a global/food, energy/commodity/prices, climate change and/a global/the financial crisis, as well as the/stalled/multilateral trade negotiations and a/loss of confidence/in some international institutions and the international economic system. We are determined to take immediate and decisive actions and initiatives to overcome all these obstacles and challenges/through achievement of people-centred development/and to devise important measures for the full, effective and timely implementation of the Monterrey Consensus.**

3 alt. **We recognize that the international context has changed in profound ways since we met in Monterrey. We express our deep concern that the international community currently faces multiple challenges, including the financial crisis, increased food insecurity, volatile commodity prices and the impact of climate change. Developing countries risk very serious setbacks to their efforts to improve the lives of their populations from these challenges, and it is critical that we work together to maintain all sources of development finance. Acknowledging the response of the international community to date, we are determined to take further immediate and decisive actions to meet these challenges.**

3 bis. **We recall that gender equality is a fundamental human right, a fundamental value and an issue of social justice; it is essential for economic growth, poverty reduction, environmental sustainability and aid effectiveness. We reiterate the need for gender mainstreaming into the formulation and implementation of development policies, including financing for development policies, and for dedicated resources. We commit ourselves to increasing our efforts to fulfil our commitments regarding gender equality and the empowerment of women.**

3 ter. **We reaffirm the political declaration on "Africa's development needs: state of implementation of various commitments, challenges and the way**

forward",[3] adopted at the high-level meeting of the General Assembly on 22 September 2008. We further reaffirm our commitment to provide and strengthen support to the special needs of Africa and stress that eradicating poverty, particularly in Africa, is the greatest global challenge facing the world today. We underline the importance of accelerating sustainable broad-based economic growth, which is pivotal to bringing Africa into the mainstream of the global economy. We reaffirm the commitment of all States to establish a monitoring mechanism to follow up on all commitments related to the development of Africa as contained in the political declaration on "Africa's development needs". All commitments to and by Africa should be effectively implemented and given appropriate follow-up by the international community and Africa itself. We underscore the urgency of addressing the special needs of Africa based on a partnership among equals.

3 quater. **We welcome the decision to convene the Fourth United Nations Conference on the Least Developed Countries at a high level in 2011.**

3 ter. and 3 quat. alt. **We further reaffirm our commitment to provide and strengthen support to the special needs of Africa and stress that eradicating poverty, particularly in Africa, is the greatest global challenge facing the world today. We underline the importance of accelerating sustainable broad-based economic growth, which is pivotal to bringing Africa into the mainstream of the global economy. We welcome the decision to convene the Fourth United Nations Conference on the Least Developed Countries at a high level in 2011.**

Mobilizing domestic financial resources for development

4. In the years following the Monterrey Conference, a number of developing countries have made significant progress in the implementation of development policies in key areas of their economic frameworks, often contributing to increased mobilization of domestic resources and higher levels of economic growth. We will continue to build upon this progress through promoting **inclusive** and equitable growth, eradicating poverty and pursuing sustainable development in its economic, social and environmental dimensions, and by ensuring the necessary enabling environment for mobilizing public and private resources and expanding productive investments. Greater efforts are required to support the creation and sustenance of a conducive environment through appropriate national and international actions.

5. We reaffirm that national ownership and leadership of development strategies and good governance are important for effective mobilization of domestic financial resources and fostering sustained economic growth and sustainable development. In this context, we should take into account the different characteristics and specificities of each country. **We reaffirm that freedom, peace and security, domestic stability, respect for human rights, including the right to development, and the rule of law, gender equality, market-oriented policies and an overall commitment to just and democratic societies are also essential and mutually reinforcing.**

5 bis. We recognize that a dynamic, inclusive well-functioning and socially responsible private sector is a valuable instrument for generating economic growth

[3] Resolution 63/1.

and reducing poverty. In order to foster private-sector development, we shall endeavour to promote an enabling environment that facilitates entrepreneurship and doing business by all, including women, the poor and the vulnerable. The international community, national Governments and regional economic groups should continue to support these efforts.

5 bis alt. **We will continue to pursue appropriate policy and regulatory frameworks at our respective national levels and in a manner consistent with national laws to encourage public and private initiatives, including at the local level, and to foster a dynamic and well-functioning business sector, while improving income growth and distribution, raising productivity, empowering women and protecting labour rights and the environment. We recognize that the appropriate role of Government in market-oriented economies will vary from country to country.**

6. Human development remains a key priority, and human resources are the most precious and valuable asset that countries possess. The realization of full and productive employment and decent work for all[4] is essential. We will continue to invest in human capital through **inclusive** social policies, inter alia, on health and education, in accordance with national strategies. The provision of, and access to, financial and credit services to all is also important. Such facilities have begun to show results, but increased **efforts supported by the international community are** needed. We stress the importance of fostering diverse local and supporting industries that create productive employment and strengthen local communities. We will strive to ensure social security systems that protect the vulnerable in particular.

6 bis. To advance towards the goals of the Monterrey Consensus, policies that link economic and social considerations are required to reduce inequalities within and among countries and guarantee that the poor and vulnerable groups benefit from economic growth and development. Measures aimed at integrating the poor into productive activities, investing in the development of their labour skills and facilitating their entry into the labour market are necessary. In this regard, greater efforts are required for mobilizing more resources, as appropriate, to provide universal access to basic economic and social infrastructure and inclusive social services, as well as capacity-building, taking special care of women, children, older persons and persons with disabilities in order to enhance their social protection.

6 ter. **To take advantage of the benefits of globalization while minimizing its costs, the integration of developing countries into the global economy should be appropriately sequenced and accompanied by national ownership, taking into account policy space considerations and international commitments and in the context of a supportive international environment.**

6 ter alt. **The increasing interdependence of national economies in a globalizing world and the emergence of rules-based regimes for international economic relations have meant that the space for national economic policy, that is, the scope for domestic policies, especially in the areas of trade, investment and international development, is now often framed by international disciplines, commitments and global market considerations. It is for each Government to evaluate the trade-off between the benefits of accepting**

[4] International Labour Organization Declaration on Social Justice for a Fair Globalization; see Economic and Social Council resolution 2007/2 and elsewhere.

international rules and commitments and the constraints posed by the loss of policy space.

7. We reiterate that macroeconomic policies should be aimed at sustaining high rates of economic growth, full employment, poverty eradication, and low and stable inflation, and seek to minimize domestic and external imbalances to ensure that the benefits of growth reach all people, especially the poor. They should also attach high priority to avoiding abrupt economic fluctuations that negatively affect income distribution and resource allocation. In this context, the scope for appropriate counter-cyclical policies to preserve economic and financial stability should be expanded. **Public investment, consistent with medium- and long-term fiscal sustainability, may have a proactive role and encourage a virtuous cycle of investment.**

8. We will continue to undertake fiscal reform, including tax reform, which is key to enhancing macroeconomic policies and mobilizing domestic public resources. We will also continue to improve budgetary processes and **parliamentary oversight, as appropriate,** and enhance the transparency of public financial management and the quality of expenditures. We will step up efforts to enhance tax revenues through modernized tax systems, more efficient tax collection, broadening the tax base and effectively combating tax evasion. We will undertake these efforts with an overarching view to make tax systems more **progressive and** pro-poor. **While each country is responsible for its tax system, it is important to support national efforts in these areas by strengthening technical assistance and enhancing international cooperation and participation in addressing international tax matters including in the area of the elimination of double taxation. We support/ We will consider** strengthening the United Nations Committee of Experts on International Cooperation in Tax Matters **by upgrading it to a United Nations intergovernmental body and ensure its adequate funding./by upgrading it to a United Nations intergovernmental body with universal membership./We will consider improving the working methods of the United Nations Committee of Experts on International Cooperation in Tax Matters./We will consider strengthening the United Nations Committee of Experts on International Cooperation in Tax Matters, including through balanced representation of the different categories of countries, with a transparent selection process, a clearly defined mandate, transparent working methods and decision-making, and closer coordination with the competent international institutions, such as the Organization for Economic Cooperation and Development (OECD). We acknowledge the need to further promote international cooperation in tax matters, including through strengthening institutional arrangements, as appropriate. We support the call for strengthening international cooperation on tax matters building on steps already taken.**

8 bis. The development of a sound and broad-based financial sector is central to the mobilization of domestic financial resources and should be an important component of national development strategies. We will strive for diversified, well-regulated, inclusive financial systems that promote savings and channel them to sound growth generating projects. We will further refine, as appropriate, the supervisory and regulatory mechanisms to enhance the transparency and accountability of the financial sector. We will aim to increase the domestic supply of long-term capital and promote the development of domestic capital markets, including through multilateral, regional, subregional and national development banks.

9. To achieve equitable development and foster a vibrant economy, it is vital to have a financial infrastructure that provides access to a variety of sustainable products and services for micro-, small and medium-sized businesses, with particular emphasis on women, rural populations and the poor. We will make sure that the benefits of growth reach all people by empowering individuals and communities and by improving access to services in the fields of finance and credit. We recognize that microfinance, including microcredit, has proven to be effective in generating productive self-employment, which can contribute to the achievement of the internationally agreed development goals, including the Millennium Development Goals. Despite some progress, there is widespread demand for microfinance. We underline the need to appropriately support, in a coordinated manner, the efforts of developing countries, including in capacity-building for their microfinance, including microcredit institutions.

9 bis. **Gender equality and women's empowerment are essential to achieve equitable and effective development and to foster a vibrant economy. We reaffirm our commitment to eliminate gender-based discrimination in all its forms, including in the labour and financial markets, as well as, inter alia, in the ownership of assets and property rights. We will promote women's rights, including their economic empowerment, and effectively mainstream gender in law reforms, business support services and economic programmes, and give women full and equal access to economic resources. We will further promote and reinforce capacity-building of State and non-State actors in gender responsive public management, including, but not limited to, gender budgeting.**

[Facilitators' proposal for paragraph 10: moved to paragraph 8]

11. Capital flight, where it occurs, is a major hindrance to the mobilization of domestic resources for development. We will strengthen national and multilateral efforts to address the various factors that contribute to it. It is vital to address the problem of illicit financial flows, especially money-laundering. Additional measures should be implemented to prevent the transfer abroad of stolen assets and to assist in their recovery and return of such assets, in particular to their countries of origin, consistent with the United Nations Convention against Corruption, as well as to prevent capital flows that have criminal intent. **This could/should include support for the Stolen Asset Recovery (STAR) initiative.** In this regard, we urge as a matter of priority all States that have not yet done so to consider becoming parties to the International Convention for the Suppression of the Financing of Terrorism, and call for increased cooperation with the same objective.

12. The ongoing fight against corruption at all levels is a priority. Progress among countries has varied since 2002. Corruption affects both developed and developing countries, and both the public and private sectors. We are thus determined to take urgent and decisive steps to continue to combat corruption in all of its manifestations in order to reduce obstacles to effective resource mobilization and allocation and avoid the diversion of resources away from activities that are vital for development. This requires strong institutions at all levels, including, in particular, effective legal and judicial systems and enhanced transparency. We welcome the increased commitment of States that have already ratified or acceded to the United Nations Convention against Corruption,[5] and, in this regard, urge all States that

[5] United Nations, *Treaty Series*, vol. 2347, No. 42146.

have not yet done so to consider ratifying or acceding to the Convention. We call upon all States parties to fully implement the Convention without delay **and to work jointly in the establishment of a mechanism for follow-up on implementation of the Convention.**

13. While the pursuit of economic resilience is important for all countries, it requires constant and more concerted efforts in small and vulnerable economies. These national efforts need to be reinforced by international support for capacity-building, including through financial and technical assistance, and United Nations operational activities for development in accordance with national development strategies and priorities. In development cooperation policies, we will pay special attention to the efforts and specific needs of Africa, the least developed countries, landlocked developing countries and small island developing States. Similarly, special and sustained attention is needed to support post-conflict countries in their rebuilding and development efforts.

Mobilizing international resources for development: foreign direct investment and other private flows

14. We recognize that private international capital flows, particularly foreign direct investment, are vital complements to national and international development efforts. We appreciate the rise in private international capital flows to developing countries since the Monterrey Conference and the improvements in business climates that have helped encourage it. However, we take note with concern that a significant number of developing countries have not experienced a rise in private international capital flows. We will seek to enhance such flows to support development. In this context, we will strengthen national, bilateral and multilateral efforts to assist developing countries in overcoming the structural or other constraints which currently limit their attractiveness as a destination for private capital and foreign direct investment. **To that end, we acknowledge the need to particularly assist those countries that have/been less successful in attracting/ not received/been at a particular disadvantage in attracting/attracted fewer/ such flows, including a number of African countries, least developed countries, landlocked developing countries, small island developing States and countries emerging from conflict or recovering from natural disasters.** Such efforts could include the provision of technical, financial and other forms of assistance; the promotion and strengthening of partnerships, including public-private partnerships; and cooperation arrangements at all levels.

15. We will enhance efforts to mobilize investments from all sources in human resources, transport, energy, communications, information technology and other physical, environmental, institutional and social infrastructure that serve to strengthen the business environment, enhance competitiveness and expand trade in developing countries and economies in transition. We recognize the need for bilateral and multilateral partners to provide technical assistance and share best practices relating to these efforts. The programmes, mechanisms and instruments at the disposal of multilateral development agencies and bilateral donors can be used for encouraging business investment, including by contributing to mitigating some of the risks faced by private investors in critical sectors in developing and transition economies. Official development assistance and other mechanisms, such as, inter

alia, guarantees and public-private partnerships, can play a catalytic role in mobilizing private flows. At the same time, multilateral and regional development banks should continue to explore **innovative** modalities with developing countries, including **low- and** middle-income countries and countries with economies in transition, to facilitate additional private flows to such countries.

16. Experience has shown that providing an enabling domestic and international investment climate is fundamental to fostering domestic and foreign private investment. **Countries need to continue their efforts to achieve a transparent, stable and predictable investment climate, with proper contract enforcement and respect for property rights./We will continue to put in place transparent and appropriate regulations at the national and international levels./Developing countries can benefit by continuing to strengthen efforts to put in place transparent and effective regulations and laws for doing business, which are socially and environmentally responsible, gender-sensitive and enforceable.** Efforts should be enhanced to upgrade the skills and technical capabilities of human resources, improve the availability of finance for enterprise, facilitate public-private consultative mechanisms and promote corporate social responsibility. Bilateral investment treaties can promote private flows by increasing legal stability and predictability to investors. **We are aware of the issues deriving from the differences among multiple investment treaties and therefore we call for achieving optimal conditions for all the participants in the negotiation of these international instruments, as appropriate. It is also important that bilateral investment treaties, as well as tax treaties and other tax measures to facilitate foreign investments, take into account regional and multilateral cooperation, including at the regional level, in order to avoid detrimental tax practices./In this context, it is important to avoid detrimental tax practices.** We acknowledge the importance of supporting capacity-building in developing countries aimed at improving their abilities to negotiate mutually beneficial investment agreements.

16 bis. **To complement national efforts, there is a need for the relevant international and regional institutions, as well as appropriate institutions in source countries, to increase their support for private foreign investment in infrastructure development and other priority areas, including projects to bridge the digital divide in developing countries and countries with economies in transition. To this end, it is important to provide export credits, co-financing, venture capital and other lending instruments, risk guarantees, leveraging aid resources, information on investment opportunities, business development services, forums to facilitate business contacts, and cooperation between enterprises of developed and developing countries, as well as funding for feasibility studies. Inter-enterprise partnership is a powerful means for the transfer and dissemination of technology. In this regard, strengthening of the multilateral and regional financial and development institutions is desirable. Additional source country measures should also be devised to encourage and facilitate investment flows to developing countries.**

17. **We/recognize that the development impact of foreign direct investment should be maximized/will strive/It is important/to maximize the development impact of foreign direct investment./The quality of foreign direct investment plays an important role in enhancing the development impact of these investments.** We recognize that the transfer of technology and business skills is a key channel through which foreign direct investment can positively impact

development. We will **facilitate**/strengthen national and international efforts aimed at maximizing/linkages with domestic production activities, enhancing transfer of technology and creating training opportunities for the local labour force, including women and young people. **We will also make greater efforts to ensure that appropriate labour and environmental protection standards and anti-corruption laws and regulations are upheld. We welcome efforts/We will take steps to promote corporate social responsibility and good corporate governance.** In this regard, we encourage the work undertaken at the national **and corporate** levels and by the United Nations, including through the United Nations Global Compact, **and the promotion of internationally agreed corporate social responsibility standards, such as the International Labour Organization Tripartite Declaration. We call for the inclusion of social and environmental clauses, when appropriate, in public procurement, including those financed by ODA. Further, we call for the development of socially responsible investment funds.** We support measures to enhance corporate transparency and accountability of all companies. **Also, measures should be devised to avoid overexploitation of natural resources. We will promote the principles of transparency and accountability over natural resources revenue by supporting and implementing the Extractive Industry Transparency Initiative, as well as other specific initiatives aiming at improved governance and transparency in the extractive sector, such as the Kimberley Process and the European Union Action Plan for Forest Law Enforcement, Governance and Trade./while enhancing transparency and accountability of revenues from all/extractive industries, both national and foreign-owned, taking into account, where appropriate, the implementation of relevant initiatives on extractive industries.**

17 bis. **Given the increasing importance of sovereign wealth funds and their potential to foster the long-term financing of the global economy and development, good practices of these funds, which are conducive to development, should be collected and emulated. International efforts aiming at defining good practices on governance, transparency and responsibility of sovereign wealth funds should be encouraged. Sovereign wealth funds play a positive role for the States which own them and for the long-term financing of the global economy and development. International efforts aiming at defining good practices on governance, transparency and responsibility of sovereign wealth funds should be encouraged. In this regard, the work undertaken by OECD on developing guidelines for recipient countries' policies towards sovereign wealth funds and the International Monetary Fund (IMF) generally agreed principles and practices for sovereign wealth funds should be supported.**

or

Sovereign wealth funds have significant potential to finance foreign direct investment and development activities. We welcome the work of the International Working Group on Sovereign Wealth Funds and OECD to define best practices on governance, transparency and responsibility for sovereign wealth funds and recipient countries.

[Paragraph 18: moved to paragraph 17]

[Paragraph 19: moved to paragraph 15]

20. We realize that the perception of a country's current economic conditions and prospects influences the international private financial flows that it attracts. The provision of objective, high-quality information from all sources, including private and public entities, such as national statistical agencies, IMF, the World Bank, the United Nations system, investment advisers and credit-rating agencies, is vital for informed decisions by potential domestic and foreign investors alike. We will continue to strengthen modalities, including through the efforts of the country itself, the United Nations system and relevant multilateral agencies, to enhance and improve the level and objectivity of information regarding a country's economic situation and outlook.

21. **We recognize that the flow of remittances across international borders, particularly to developing countries, has grown rapidly in recent years, and that remittances have played an increasing role in the provision of foreign exchange in the immigrant workers' home countries. We recognize the complex and multidimensional interrelationship between migration, remittances and development. While acknowledging the development impact of remittances in recipient countries, we stress that capturing the full potential of remittances for development and economic growth remains a challenge. We recognize the private nature of these remittances, which are distinct from other international financial flows, including foreign direct investment and ODA. We will strengthen existing measures to lower the transaction costs of remittances through increased cooperation between the originating and receiving countries. We will further promote incentives for the owners of remittances to invest in development-oriented activities. We note with concern the decreasing trends of remittances as a result of the international financial crisis and the current economic downturn.**

or

Remittances have become significant private financial resources for households in countries of origin of migration. Remittances cannot be considered as a substitute for foreign direct investment, ODA, debt relief or other public sources of finance for development. They are typically wages transferred to families, mainly to meet part of the needs of the recipient households. The manner of their disposal or deployment is an individual choice. A large portion of migrants' incomes is spent in destination countries and constitutes an important stimulus to domestic demand in their economies. In this regard, we will strengthen existing measures to lower the transaction costs of remittances through increased cooperation between originating and receiving countries and create opportunities for development-oriented investments.

International trade as an engine for development

22. We reaffirm that international trade is an engine for development and sustained economic growth. We also reaffirm that a universal, rules-based, open, non-discriminatory and equitable multilateral trading system, as well as meaningful trade liberalization, can substantially stimulate development worldwide benefiting all countries at all stages of development. We are encouraged that international trade, especially the trade of developing countries as a group, has expanded at a fast pace in the current decade. Trade among developing countries has now become one

of the most dynamic elements in world trade **and has considerable potential to expand further.** However, many developing countries, in particular the least developed countries, have remained at the margins of these developments and their trade capacity needs to be enhanced to enable them to exploit more effectively the potential of trade to support their development. We also reaffirm our commitment to meaningful trade liberalization and to ensure that trade plays its full part in promoting economic growth, employment and development for all. We recall our commitment in the Monterrey Consensus to the decisions of the World Trade Organization to place the needs and interests of developing countries at the heart of its work programme and to implement its recommendations.

22 bis. A well-functioning multilateral trading system can bring benefits to all and can contribute to enhancing the integration of the developing countries in the system, in particular the least developed countries. **We recognize, however, that the multilateral trading system, in its present form, is unbalanced and acts to the disadvantage of a number of developing countries, in particular the least developed countries./The multilateral trading system in its current form requires further reforms to act more in favour of developing countries, in particular the least developed countries. Progress in reforming the system/in this area/is particularly important at a time when the systemic impact of the financial crisis is likely to have a/considerable/adverse effect on international trade. We reaffirm/emphasize the importance of open, transparent, inclusive, democratic and orderly processes and procedures.** We emphasize that maximizing the benefits and minimizing the costs of international trade liberalization calls for development-oriented and coherent policies at all levels.

23 alt. **Despite significant efforts and some progress, the Doha round of multilateral trade negotiations has not yet been concluded. We recognize that delays in concluding the Doha round of multilateral trade negatively impacts the potential of trade playing its due role as the engine of growth and development. We welcome the commitments of the G-20 Declaration concerning trade and the critical importance of rejecting protectionism and not turning inward in times of financial uncertainty and, on this basis, we will strive to reach agreement this year on modalities that lead to a successful conclusion to the World Trade Organization Doha Development Agenda with an ambitious and balanced outcome.**

or

23 alt. **We are very concerned that major challenges persist. Despite significant efforts, the Doha round of multilateral trade negotiations remains stalled. This may jeopardize the potential expansion in the exports of developing countries and impact negatively the potential for trade to play its due role as the engine of growth and development. The systemic impact of the financial crisis will impact international trade negatively and aggravate the situation further. We emphasize that the Doha development round of multilateral trade negotiations must be completed with urgency and with a focus on its development dimensions. In this regard, it is important to make progress on the key areas of the Doha Development Agenda, especially the areas we agreed in paragraph 28 of the Monterrey Consensus, giving particular attention to the principle of special and differential treatment and also giving appropriate recognition to the policy space of developing countries. We will urgently re-engage and ensure a**

successful and early conclusion of the Doha development round that leads to comprehensive, ambitious and development-promoting market-opening commitments, providing increased opportunities for all developing countries to use trade to support development. To this end, flexibility and political will are essential.

23 bis. We reiterate that to generate the kind of economic growth, development and poverty **alleviation/eradication** — that we committed to when we launched the Doha round in 2001, and reaffirmed in the Monterrey Consensus in 2002, in the decision of the General Council of the World Trade Organization of 1 August 2004 and in the 2005 Hong Kong Ministerial Declaration, **a major reform of the international trading system is required. The main responsibility for that reform rests with the developed economies./All countries should contribute on a level commensurate with their role and participation in the global economy and make commitments that result in new trade flows.**

[Paragraph 24: deleted]

25. We acknowledge that the optimum pace and sequence of trade liberalization depends on the specific circumstances of each country, and that each country will make this decision based on its own evaluation of the costs and benefits. Trade liberalization must be complemented by appropriate action and strategies at the national level for the expansion of productive capacities, the development of human resources and basic infrastructure, the absorption of technology and implementation of adequate social safety nets. **Achieving the positive impact of trade liberalization on developing countries will also depend to a significant extent on international support for the above measures and on appropriate actions to avoid measures that distort trade./Achieving the positive impact of trade liberalization on developing countries will also depend to a significant extent on international support for the above measures and on appropriate actions to avoid measures that distort trade, such as unpredictable access to markets, eliminating abuse of anti-dumping measures, reduction of tariffs and non-tariff barriers and elimination of trade-distorting subsidies.**

26. We recognize the particular challenges faced by least developed countries in integrating beneficially into the international trading system. We acknowledge that least developed countries require special measures and international support to benefit fully from world trade, as well as in adjusting to and integrating beneficially into the global economy. In this regard, we call upon developed countries and developing countries declaring themselves in a position to do so, as well as international financial and development institutions, to provide them with assistance. We **reaffirm** the decision at the World Trade Organization Hong Kong Ministerial Conference in December 2005 on improved market access for least developed countries and welcome the actions taken by individual countries since Monterrey to implement the objective of duty-free and quota-free access **to all products** from all least developed countries as outlined in the decision. **We renew the call in accordance with the commitment in the Doha Ministerial Declaration to take additional measures to provide effective market access, both at the border and otherwise, including simplified and transparent rules of origin so as to facilitate exports from least developed countries./In this regard, we renew the call to all other developed countries to do likewise, including ensuring that applicable rules of origin are transparent and simple and**

contribute to facilitating the exports of least developed countries. We also encourage developing countries declaring themselves in a position to do so, as well as countries with economies in transition also to contribute to this objective in a meaningful way. We will also reinforce efforts to provide technical assistance to least developed countries that request it in order to enable them to participate more effectively in the multilateral trading system, including through the effective operation of the Enhanced Integrated Framework for Trade-related Technical Assistance to Least Developed Countries and by providing support to allow them to participate effectively in international trade negotiations.

26 bis. **We also recognize the special challenges faced by low-income developing countries, as well as small and vulnerable economies, including market access and supply-side constraints, in fully benefiting from the multilateral trading system, and call for special measures and international support to these countries for a faster expansion of their trade and productive capacities, where needed. Moreover, we acknowledge that middle-income countries continue to face substantial development challenges and that a number of middle-income countries need equitable measures and support to allow for their effective participation in the global economy.**

27. Aid for Trade is an important component of the measures that will assist developing countries in taking advantage of the opportunities offered by the international trading system, the outcome of the Doha round and regional trade agreements. A critical aim of Aid for Trade should be to enhance trade capacity and international competitiveness while ensuring ownership and alignment with national development strategies of individual developing countries. Aid for Trade **includes/ should aim to help developing countries, particularly least developed countries, with/**trade policy and regulations; trade development; building productive capacities; trade-related infrastructure; trade-related adjustment and other trade-related needs. However, Aid for Trade is a complement and not a substitute for a successful outcome of the Doha Development Agenda or any other trade negotiation. **Successful Aid for Trade is a joint effort/partnership between donor and recipient countries.** The commitments by individual donors relating to Aid for Trade should be fully implemented in a timely manner. It is also important that the Aid for Trade needs and priorities of recipient countries are fully integrated and reflected in their national development strategies. United Nations specialized agencies that have a relevant mandate in this field should continue to help developing countries build their trade-related productive capacities.

28. Broader and effective participation of developing countries in the multilateral trading system, **the development of international trade rules** and in the World Trade Organization Doha Development Agenda negotiations are key objectives reaffirmed in the Monterrey Consensus. We note progress in this area since Monterrey, as evidenced by the countries that have acceded to the World Trade Organization, the countries that have newly engaged in World Trade Organization accession and the countries that have made progress towards World Trade Organization accession over the past six years. **We will endeavour/continue to work/to facilitate and remove impediments to the accession to the World Trade Organization of developing countries, in particular least developed countries, with full observance of the principles of special and differential treatment for developing countries and countries with economies in transition.**

29. We recognize that regional integration as well as bilateral trade and economic cooperation agreements are important instruments to expand trade and investment. We should continue to ensure that these agreements promote long-term development and advance the goals of the World Trade Organization and are complementary elements of the multilateral trading system. International support for cooperation in trade and other trade-related areas can be catalytic in strengthening and consolidating regional and subregional integration. **We will seek to enhance South-South trade./We will seek to enhance South-South trade, acknowledging the considerable potential and growing opportunities for trade and investment among developing countries and countries with economies in transition as an additional source of financing for development.** We stress the importance of increased support to South-South cooperation initiatives in trade-related areas, including through triangular cooperation, consistent with World Trade Organization rules.

30. **We welcome the ongoing work of international institutions that assist developing countries in realizing the benefits of trade liberalization, in particular the United Nations, World Trade Organization, the World Bank, the International Monetary Fund and the regional development banks, and encourage their continuing efforts to facilitate trade that results in economic growth and development. In this context, we note/welcome the outcome of the twelfth session of the United Nations Conference on Trade and Development (UNCTAD), held in Accra from 20 to 25 April 2008. UNCTAD has an important role to play as an institution with universal membership and a mandate to serve as the consensus-building platform for the integrated treatment of trade and development.**

Increasing international financial and technical cooperation for development

30 ter. **We recognize the severe impacts that the current financial and economic crises are having on the ability of developing countries to mobilize resources for development. We stress the importance that ODA plays, leveraging and sustaining financing for development in developing countries, and note with deep concern the lack of fulfilment of the 0.7 per cent ODA target for development. In this regard, we recall our commitments to the internationally agreed development goals, including the Millennium Development Goals, and call for the international community to redouble its efforts to facilitate the achievement of these goals.**

31. We reaffirm the essential role ODA plays, as a complement to other sources of financing for development, in facilitating the achievement of development objectives, including the internationally agreed development goals, in particular the Millennium Development Goals. For many African countries, least developed countries, small island developing States and landlocked developing countries, ODA is still the largest source of external financing. ODA can play a catalytic role in assisting developing countries to remove constraints to sustained, inclusive and equitable growth, such as enhancing social institutional and physical infrastructure, promoting foreign direct investment, trade and technological innovation, fostering gender equality, preserving the environment and eradicating poverty. **We also**

reaffirm that strengthening national leadership and ownership of development processes and a strong commitment to sound policies and development results are critical elements for ODA to catalyse growth and sustainable development. We are encouraged that some progress has already been made towards implementing these elements and that strong commitments to redoubling these efforts were expressed at the recent Accra High-level Forum on Aid Effectiveness.

32. **We are encouraged by the recovery of ODA from its declining trend before the Monterrey Conference. ODA in real terms increased by 40 per cent between 2001 and 2007, while noting that a significant part of aid flows after 2002 comprised debt relief and humanitarian assistance.** However, we note with concern the overall decline in ODA in 2006 and 2007, driven in particular by the drop-off in debt relief from its peak in 2005. **The capacity of developing countries to absorb long-term development aid has begun to increase as a result of their improved domestic policies.** We are encouraged by the fact that **some/five** donor countries have met or surpassed/**the ODA targets referenced in the Monterrey Consensus/the 0.7 per cent target** of gross national income (GNI) for ODA/and that some others have established timetables for fulfilling their long-standing commitments, **such as the European Union, which has agreed to provide, collectively, for 0.56 per cent of GNI for ODA by 2010 and 0.7 per cent by 2015 and to channel at least 50 per cent of collective aid increases to Africa, while fully respecting individual Member States' priorities in development assistance. We welcome the more than doubling of ODA by the United States, which has met and exceeded its commitments to increase aid by over $60 billion. We also welcome the declaration by the G-8 leaders in Hokkaido, Japan, that they are firmly committed to working to fulfil their commitments made at Gleneagles, including increasing, compared to 2004, with other donors, ODA to Africa by $25 billion a year by 2010. We encourage donors to work on national timetables, by the end of 2010, to increase aid levels within their respective budget allocation processes towards achieving the established ODA targets.** The full implementation of these commitments will substantially boost the resources available to push forward the international development agenda.

32 bis. **We note with concern that there continues to be a net outflow of resources from developing to developed countries, in many cases far surpassing the inflow of ODA. [Placement of this paragraph to be decided]**

33. The fulfilment of all official development assistance commitments is crucial, including the commitments by many developed countries to achieve the target of 0.7 per cent of GNI for ODA to developing countries by 2015 and to reach the level of at least 0.5 per cent of GNI for ODA by 2010, as well as a target of 0.15 to 0.20 per cent of GNI for least developed countries. To reach their agreed timetables, donor countries should take all necessary and appropriate measures to raise the rate of aid disbursements to meet their existing commitments./**We urge those developed countries that have not yet done so to take urgent measures to achieve the 0.7 per cent of GNI as ODA to developing countries, including the specific target of 0.15 to 0.20 per cent of GNI for least developed countries by 2010. We also stress the importance of developing countries demonstrating a commitment to, and progress towards, improved democratic governance that improves transparency and accountability, managing for results and advancing an enabling environment that can encourage trade and private investment. We**

strongly encourage all donors to establish, as soon as possible, rolling multiannual indicative timetables that illustrate how they aim to reach their targets. We stress the importance of mobilizing greater domestic support in developed countries towards the fulfilment of their commitments, including through raising public awareness, and by providing data on aid effectiveness and by demonstrating tangible results. **We also call on developing countries in a position to do so to continue to make concrete efforts to increase and make more effective their aid disbursements to other developing countries, in accordance with the principles of aid effectiveness. The current financial and energy crises, high food prices, volatility in energy prices and implementing actions related to climate change will require substantial additional resources./carry a deep developmental connection that needs to be addressed.**

33 bis. We stress the importance of addressing the development needs of low-income developing countries, including through the **enhanced** provision of technical, financial and other forms of assistance, the promotion and strengthening of partnerships and cooperation arrangements at all levels.

33 ter. We recognize that middle-income countries still face significant challenges in the area of poverty eradication and that their efforts to address those challenges should be strengthened and supported by the United Nations system, the international financial institutions and all other stakeholders, in order to ensure that achievements made to date are sustained. We also acknowledge that ODA is still essential for a number of these countries and has a role to play in targeted areas, taking into account the needs and domestic resources of these countries.

34. We welcome increasing efforts to improve the quality of ODA and to increase its development impact. The Economic and Social Council Development Cooperation Forum, along with recent initiatives, such as the High-level Forums on Aid Effectiveness which produced the 2005 Paris Declaration on Aid Effectiveness and the 2008 Accra Agenda for Action, make important contributions to these efforts/efforts of **those countries which have committed to them,** including **through the adoption of** the fundamental principles of national ownership, alignment, harmonization and managing for results. **We endorse and call for the full implementation of the Paris Declaration principles and the Accra Agenda for Action by all development actors.** Continued building on these initiatives, including through more inclusive and broad-based participation, will contribute to enhancing national ownership and making aid delivery more effective and efficient and lead to improved outcomes. We also encourage all development partners to improve the quality of aid, increase programme-based approaches, use country systems for activities managed by the public sector, reduce transaction costs and improve **mutual accountability** and transparency and, in this regard, we call upon all **development partners/donors** to untie aid **to the maximum extent**. We will make aid more predictable by providing developing countries with regular and timely, indicative information on planned support in the medium term. We recognize the importance of efforts by developing countries to strengthen leadership of their own development, national institutions, systems and capacity to ensure the best results of aid **by engaging with parliaments and citizens in shaping those policies** and deepening engagement with civil society organizations. We should also bear in mind that there is no one-size-fits-all formula that will guarantee effective assistance. The specific situation of each country needs to be fully considered.

35. We note that the aid architecture has significantly changed in the current decade. New aid providers and novel partnership approaches, which utilize new modalities of cooperation, have contributed to increasing the flow of resources. Further, the interplay of development assistance with private investment, trade and new development actors provides new opportunities for aid to leverage private resource flows. We re-emphasize the importance of the Development Cooperation Forum of the Economic and Social Council as the focal point within the United Nations system for holistic consideration of issues of international development cooperation, with participation by all relevant stakeholders. We shall pursue efforts, both in the United Nations and in collaboration with other relevant institutions, such as the Organization for Economic Cooperation and Development (OECD)/ Development Assistance Committee (DAC), to advance dialogue and cooperation among the increasingly diverse community of development partners. We encourage new aid providers to mobilize, manage and evaluate their international development cooperation initiatives. All development actors should cooperate closely to ensure that increased resources from all sources are used/**in a manner which ensures maximum effectiveness/in line with principles of aid effectiveness.** We shall also pursue enhanced collaboration at the country level with the private sector, non-official donors, regional organizations and official donors.

36. **The increasing complexity of aid flows and the large number of new donors have made the task of tracking and assessing such flows more difficult. There is a growing need for more systematic and universal ways to follow quantity, quality and effectiveness of aid flows, given due regard to already existing schemes and peer-review mechanisms. We invite the Secretary-General of the United Nations, in close cooperation with the World Bank, the regional development banks, OECD/DAC and other relevant stakeholders to address this issue and to provide a report for consideration by the Development Cooperation Forum./We invite the United Nations system, the World Bank, regional development banks, global funds and major foundations to work together to improve the coverage of reporting on official and private aid for development.**

37. We support South-South cooperation, as well as triangular cooperation, which provides much needed additional resources to the implementation of development programmes. We recognize the importance and different history and particularities of South-South cooperation and stress that South-South cooperation, **as much as North-South cooperation,** should be seen as an expression of solidarity and cooperation between countries, based on their shared experiences and objectives. Both forms of cooperation support a development agenda that addresses the particular needs and expectations of developing countries, **based on premises and conditions**. We also recognize that South-South cooperation complements rather than substitutes for North-South cooperation, **and call for greater convergence between them. As South-South initiatives come to represent a larger share of resource flows, it will be important for source and recipient countries to fully engage in development coordination at the national and international levels.** We acknowledge the role played by middle income developing countries as providers and recipients of development cooperation. Regional cooperation could also be strengthened as an effective vehicle for mobilizing resources for development, inter alia, by strengthening regional financial institutions to better assist in upgrading critical sectors in developing countries.

38. We recognize the considerable progress made since the Monterrey Conference in voluntary innovative sources of finance. **We acknowledge that a number of the initiatives of the Technical Group created by the Global Action Initiative against Hunger and Poverty and the Leading Group on Solidarity Levies to Fund Development have become a reality or are in an advanced stage towards implementation. These include, inter alia, the International Finance Facility for Immunization; the pilot advance market commitments, the airline ticket solidarity levies, which finance health programmes in several developing countries, including the international drug purchase facility UNITAID to help combat HIV/AIDS, tuberculosis and malaria; and instruments based on the carbon market/and schemes that use proceeds from emission trading to finance development. Other noteworthy initiatives include the United States Millennium Challenge Corporation, the President's Emergency Plan for AIDS Relief, the India-Brazil-South Africa Fund, the Egyptian Fund for Technical Cooperation and support for the African countries and the PetroCaribe Initiative.** We encourage the scaling up and the implementation, where appropriate, of innovative sources of finance initiatives. We acknowledge that these funds should supplement and not be a substitute for traditional sources of finance, and should be disbursed in accordance with the priorities of developing countries and not unduly burden them. We call on the international community to consider strengthening current initiatives and explore new proposals, while recognizing their voluntary and complementary nature. We request the Secretary-General of the United Nations to continue to address the issue of innovative sources of development finance**, public and private,** and to produce a **single consolidated** progress report by the sixty-fourth session of the General Assembly, taking into account all existing initiatives, **while noting the proposal to use special drawing rights allocations for development purposes.**

38 bis. We reiterate our resolve to operationalize the World Solidarity Fund established by the General Assembly and invite those countries in a position to do so to make voluntary contributions to the Fund. We also recall the establishment of the Digital Solidarity Fund and encourage voluntary contributions to its financing, including through considering innovative financing mechanisms.

39. We underscore the importance of capacity development and strengthening technical cooperation as important avenues for developing countries to attain their development objectives. In this regard, we reiterate the importance of human resources development, including training, exchange of expertise, knowledge transfer and technical assistance for capacity-building, which involves strengthening institutional capacity, project management and programme planning.

39 bis. We underline the important role of an effective, well-managed and adequately resourced United Nations system through its operational activities in delivering capacity-building support for development with long-term sustainability. This is particularly important for least developed countries. Given that the level of core funding inevitably affects the ability of the United Nations system to fulfil this mandate, we urge donor countries and other countries in a position to do so to substantially increase voluntary contributions to the core/regular budgets of the United Nations development system, in particular its funds, programmes and specialized agencies, and to contribute on a multi-year basis, in a sustained and predictable manner. We also note that non-core resources represent an important supplement to the regular resource base of the United Nations development system

to support operational activities for development, thus contributing to an increase in total resources, while recognizing that non-core resources are not a substitute for core resources and that unearmarked contributions are vital for the coherence and harmonization of operational activities for development. We welcome the efforts to improve efficiency, coherence and effectiveness of the United Nations development system.

40. The multilateral development banks, including the World Bank, regional and subregional development banks and other international institutions that promote development, can be an important source of financing for development. They provide strategic resources, including in the form of technical assistance, for such areas as institution-building and the promotion of best practices, including capacity-building and **good governance practices**, and play an important role in enhancing the integration of developing countries in the world economy and in supporting regional integration and other cooperation efforts. They also constitute a valuable forum for exchange of information on best practices between developing countries. **The net outflow of resources from many of these institutions has become negative** and therefore we will work with these institutions to enhance their financing to developing countries as part of the measures for further implementation of the Monterrey Consensus. These institutions should continue to explore innovative ways to use their capital to leverage additional finance to foster development while preserving their capital and ensuring their activity is sustainable.

40 bis. **We will take determined steps to increase resources for gender equality.**

External debt

41. **We are greatly encouraged that** progress has been made since the adoption of the Monterrey Consensus in improving important debt indicators of developing countries as a whole, **although we note that the debt stock of developing countries as a group continued to increase, such as debt to gross domestic product (GDP) and debt service to exports./We are greatly encouraged that important key debt sustainability indicators have improved markedly since Monterrey, although/While the recipients of debt relief continue to accumulate new external debt,/We are greatly encouraged that, while the debt stock of developing countries as a group continues to increase, all key debt sustainability indicators have improved significantly since Monterrey, but care needs to be taken to avoid a recurrence of unsustainable levels of debt.[6] though their total external debt has continued to rise.** Debt repayment by several developing countries, debt relief under the Heavily Indebted Poor Countries Initiative (HIPC), the Multilateral Debt Relief Initiative (MDRI) and the Evian treatment in the Paris Club, together with other debtor countries' efforts and ongoing initiatives, such as the World Bank/International Monetary Fund (IMF) Debt Sustainability Framework, have contributed to achieving such progress. The HIPC initiative is estimated to provide a total of US$ 71 billion to 41 eligible countries, while MDRI is expected to provide an additional US$ 28 billion.[7] **The recipients of debt relief have regained access to international credit markets and remain largely within the limits of sustainability, though care needs to be**

[6] [Footnote on overall debt stock to be added.]

[7] Both figures in net present value terms at the end of 2007.

taken to avoid a recurrence of unsustainable levels of debt. Borrowing countries have also enhanced their debt management programmes and many have built reserves. Debt relief initiatives also helped beneficiary countries mobilize much-needed resources for poverty reduction, as part of wider efforts to mobilize financial resources for development. **We recognize that the current global financial and economic crises carry the serious possibility of undoing years of hard work and gains made in relation to the debt of developing countries. The situation demands bolder and more encompassing initiatives to resolve the current debt problems of developing countries in an effective and equitable manner./could reverse the current positive trend in debt indicators and improved debt sustainability experienced by some developing countries and efforts must be made to ensure that the positive trend in debt indicators and debt sustainability is not reversed.**

41 bis. **We stress the need for the international community to adopt a more effective, equitable, durable and development-oriented solution to the debt problems of the developing countries, particularly Africa and least developed countries, including through debt cancellation without any discrimination and conditionalities and reinforced by increased concessional financial flows. Existing debt relief initiatives should be revised, expanded and broadened, as appropriate, in order to encompass all developing countries that still continue to face obstacles in addressing their external debt problems/to achieving debt sustainability. We stress the importance of continued flexibility with regard to the eligibility criteria for debt relief under HIPC and MDRI. We reiterate the call in Monterrey that debt relief should be financed from additional resources.**

41 ter. **We underline that countries eligible for debt relief will not be able to enjoy its full benefits unless all creditors contribute their fair share, including by providing comparable treatment to the extent possible to debtor countries that have concluded sustainable debt-relief agreements with creditors. All creditors, including public and private creditors, should become involved in the existing international debt resolution mechanisms to ensure the debt sustainability of low income countries. We also stress that the current debt initiatives and frameworks should address the needs of low-income countries, as appropriate, and recognize the importance of finding solutions to their external debt problems to ensure their debt sustainability.**

41 quart. **We emphasize that middle-income developing countries are mainly responsible for the achievement and maintenance of a sustainable debt situation and to address their external debt situation. While welcoming the Evian approach, we emphasize the importance of sustained efforts by all towards achieving sustainable debt of middle-income countries, including by improving their sustainable debt management and through debt relief based on current debt mechanisms and debt swap mechanisms on a voluntary basis.**

42. We recognize that important challenges remain. Debt service accounts for a significant portion of the fiscal budget and is still unsustainable in a number of developing countries. **The existing international debt resolution mechanisms remain/are creditor-driven, while taking into account debtor country situations.** More efforts are needed through international debt resolution mechanisms to guarantee equivalent treatment of all creditors, **just treatment of creditors and debtors/legal predictability/that such mechanisms have a juridical framework.**

These mechanisms should take into account the legitimacy of existing claims based on how the loans were given. We are deeply concerned about increasing vulture fund litigation. In this respect, we welcome recent steps taken to prevent aggressive litigation against HIPC eligible countries, including through the enhancement of debt buy-back mechanisms and the provision of technical assistance and legal support, as appropriate, by the Bretton Woods institutions and the multilateral development banks. We call on creditors not to sell claims on HIPC to creditors that do not participate adequately in the debt relief efforts.

42 bis. We will intensify our efforts to prevent debt crises by enhancing international financial mechanisms for crisis prevention and resolution, in cooperation with the private sector, and by finding solutions that are transparent and agreeable to all. These mechanisms need to be underpinned by principles that have served us well in dealing effectively with many debt problems. These include the need to ensure that debt resolution is a joint responsibility of all debtors and creditors, both State and commercial; to recognize that furthering development and restoring debt sustainability are the main objectives of debt resolution; to strengthen transparency and accountability among all parties; to promote responsible borrowing and lending practices **by, inter alia, adhering to international guidelines, such as the Debt Sustainability Framework of the Bretton Woods institutions, and respecting the minimal concessionality requirements established in the debt sustainability analysis;** to improve debt management and national ownership of **debt management strategies; and to facilitate equivalent treatment of all creditors.**

43. We recognize that a shift has occurred from official to commercial borrowing and from external to domestic public debt, although for most low-income countries external finance is still largely official. We note that the number of creditors, both official and private, has increased significantly. We stress the need to address the implications of these changes, including through improved data collection and analysis. **We will also seek to enhance creditor coordination to reduce the risks of debt overhang in borrowing countries in line with relevant international frameworks.**

43 bis. **In debt renegotiations, we stress the need for full involvement of debtors as well as creditors and the importance of respecting debtors' policy space and to take into account debtors' national policies and strategies linked to attaining the internationally agreed development goals, including the Millennium Development Goals.**

44. Technical assistance to manage debt and address debt problems can be crucial for many countries, in particular the most vulnerable. We reaffirm the importance of adequate capacities of debtor countries during debt negotiations, debt renegotiations and for debt management. In this regard, we will continue to provide developing countries with the necessary assistance, including technical assistance, upon request, to enhance debt management, negotiations and renegotiation capacities, including tackling external debt litigation, in order to achieve and maintain debt sustainability. The Bretton Woods institutions and other relevant organizations should continue to play an important role in this field, as appropriate, given their respective mandates. Preserving long-term debt sustainability is a shared responsibility of lenders and borrowers. **To this end, we encourage the widespread use of the joint IMF/World Bank Debt Sustainability Framework by all creditors and debtors.** Borrowers

should strive to implement sound macroeconomic policies and public resource management, which are key elements in reducing national vulnerabilities.

44 bis. Particular attention should be paid to keeping the debt sustainability frameworks under review to enhance the effectiveness of monitoring and analysing debt sustainability and consider fundamental changes in debt scenarios, in the face of large exogenous shocks, including those caused by natural catastrophes, severe terms of trade shocks or conflict. We stress the need to construct debt indicators based on comprehensive, objective and reliable data; to increase information-sharing, transparency and the use of objective criteria in the construction of debt scenarios; to give sufficient consideration to the domestic public and private debt situation; and to achieve development goals. **We are convinced that enhanced market access to goods and services of export interest to debtor countries is an important factor in enhancing debt sustainability.**

44 ter. **Debt sustainability frameworks should also give greater/due weight to the development needs of debtor countries, including benefits from expenditures and investment that have long-term social and economic returns. Given the imperative of maintaining debt sustainability and the external financing requirements for meeting development goals, particularly in least developed countries and low income countries facing increased risks of debt distress, bilateral donors and multilateral financial institutions should seek to increasingly provide grants and concessional loans as the preferred modalities of their financial support instruments to ensure debt sustainability.**

[Paragraph 45: incorporated into paragraphs 43 and 44]

46. **We acknowledge the need to address all relevant issues regarding external debt problems, including through the United Nations, and we will consider ways to explore enhanced forms of sovereign debt restructuring mechanisms based on existing framework and principles, including the Paris Club, with broad creditors' and debtors' participation and ensuring comparable burden-sharing among creditors, with an important/central role for the Bretton Woods institutions.**

Addressing systemic issues: enhancing the coherence and consistency of the international monetary, financial and trading systems in support of development

47. Some results have been achieved since Monterrey in addressing systemic issues, but significant additional progress is needed. This is all the more urgent given the current financial crisis. **Our work going forward will be guided by a shared belief that market principles, open trade and investment regimes and effectively regulated financial markets foster the dynamism, innovation and entrepreneurship that are essential for economic growth, employment and poverty reduction. The progress expected after Monterrey with the mandated work of the multilateral financial institutions, in particular IMF, to strengthen surveillance of all economies by the multilateral financial institutions, in particular IMF, to strengthen the surveillance of all economies, give high priority to the identification and prevention of potential crises and to strengthening the underpinnings of international financial stability did not**

meet expectations/did not take place. This partly explains the current deep and broadening financial crisis as well as the continued weaknesses in the international financial system. The reform of the international financial architecture/to better reflect members' relative positions in the world economy still remains incomplete/to provide greater transparency and the broadening and strengthening of the voice and participation of developing countries and countries with economies in transition in international decision-making and norm-setting remains incomplete. Thus, we resolve to undertake appropriate and timely steps to improve the functioning of the international economic and financial system, noting that the Summit on Financial Markets and the World Economy on 15 November 2008 and the interactive panel by the General Assembly addressed several of the above issues as a contribution to the efforts to promote global growth and to better support development. It is essential to widen the scope of these efforts and broaden participation, along with strengthening the leadership role of the United Nations in this undertaking./It is essential to ensure broad participation, along with a strong and meaningful involvement, by the United Nations in these undertakings. This is crucial for an integrated implementation of the Monterrey Consensus and to help achieve the internationally agreed development goals, including the Millennium Development Goals.

47 bis. We resolve to strengthen the coordination of the United Nations system and all other multilateral financial, trade and development institutions to support economic growth, poverty eradication and sustainable development worldwide. Greater cooperation between the United Nations, the Bretton Woods institutions and the World Trade Organization is needed, based on a clear understanding and respect for their respective mandates **and governance structures.**

[Paragraph 48: deleted]

49. We encourage better coordination and enhanced coherence among relevant ministries in all countries to assist in the formulation and effective implementation of policies at all levels. We also encourage international financial and development institutions to continue to enhance policy coherence for development taking into account diversified needs and changing circumstances. **It is important that they, as well as developed countries, tailor their policies in line with the needs of developing countries.** In order to complement national development efforts, we call on all countries whose policies have an impact on developing countries to increase their efforts to formulate policies consistent with the objectives of sustained growth, poverty eradication and sustainable development of developing countries.

50. Stable international financial markets require sound macroeconomic and financial policies. It is crucial that all countries**, in particular systemically important economies/leading industrial countries,** manage their macroeconomic and financial policies in ways that contribute to global stability and **inclusive/ sustained** economic growth **and sustainable development**. Solid and strong financial institutions at the national and international levels are essential pillars of a well-functioning international financial system. Countries should continue to pursue sound macroeconomic policies and, as appropriate, structural reform while also strengthening their financial systems and economic institutions.

51. New and highly globalized financial instruments continue to change the nature of risks in the world economy, requiring continuing enhancement of market

oversight and regulation. To strengthen the resilience of the international financial system, we will implement reforms that will strengthen the **regulatory and supervisory frameworks, financial markets and regulatory regimes,** as needed. We will strive to improve key accounting standards to remedy weaknesses and deficiencies, including those exposed by the current financial crisis. National regulators should enhance financial information and transparency at the domestic level. We will further enhance cooperation among national regulators from all countries to strengthen international financial standards, **taking into consideration development perspectives.** These efforts should address timely and adequate risk disclosure standards in order to improve the foundation of decisions of investors. There is also a need for enhanced transparency by financial institutions. Enhanced disclosure practices and transparency should assist efforts to reduce illicit capital flows.

[Paragraph 52: deleted]

53. We/**encourage further progress on reforms undertaken by the**/reaffirm that — the international financial institutions, including the Bretton Woods institutions, need to be further reformed. The reformed multilateral financial institutions should have the technical capacities, credit facilities and financial resources to deal with the management and swift resolution of financial crises in a manner that elicits and facilitates international cooperation and that are consistent with their respective mandates. The **international financial institutions/IMF** should continue to foster the multilateral cooperation needed to restore and safeguard international monetary and financial stability and should stand ready to quickly make available sufficient resources to help countries in overcoming crises. The International Monetary Fund, in collaboration with an expanded and representative Financial Stability Forum and other bodies, should work to better identify vulnerabilities, anticipate potential stresses and act swiftly to play a key role in crisis response. Similarly, the World Bank can also play a significant role to mitigate the difficulties countries face. The Bretton Woods institutions must continue, within their respective mandates, to help developing countries to deal with the adverse effects of exogenous shocks, such as large fluctuations in the prices of key commodities, for example, through the reformed IMF Exogenous Shocks Facility. We also recognize the need for keeping under review the allocation of special drawing rights.

54. Regional development banks play a vital role in supporting economic development and assisting regional integration efforts. We encourage continued cooperation and coordination among the regional development banks and other international financial institutions, as appropriate. We should review the adequacy of resources required to accomplish their tasks, as necessary. Other regional cooperation frameworks, such as financial and monetary arrangements that complement the international financial system, can be instrumental in fostering development and financial stability among their members and should be in line with multilateral frameworks, as appropriate. Those arrangements can facilitate financial flows and lower transaction costs and may serve as mechanisms that assist in the prevention of financial crises and render parties to such arrangements more resilient.

55. Credit rating agencies also play a significant role in the provision of information, including assessment of corporate and sovereign risks. The information provided by credit rating agencies should be based on broadly accepted, clearly

defined, objective and transparent parameters. The ongoing financial crisis has revealed **systemic** weaknesses/**raised concerns/raised questions about**/in accounting standards and in the way credit rating agencies currently operate. We will exercise strong oversight over credit rating agencies, consistent with the agreed and strengthened international code of conduct, and take additional action to strengthen financial market transparency and enhance convergence of global accounting standards.

56. We recognize the need to address the often expressed concern at the extent of representation of developing countries in the major standard setting bodies. We therefore welcome the proposed expansion of the membership in the Financial Stability Forum and encourage the major standard setting bodies to review their membership promptly while enhancing their effectiveness. We recognize the work of the Basel Committee on Banking Supervision and other standard setting bodies to develop high-level standards that can accommodate differences in implementation methodologies across countries to reflect diverse financial systems.

57. We underscore that the Bretton Woods institutions must be comprehensively reformed so that they can more adequately reflect changing economic weights in the world economy and be more responsive to current and future challenges. We reaffirm that the enhancement of voice and participation of developing countries in the Bretton Woods institutions, in accordance with their respective mandates, is central to strengthening the legitimacy and effectiveness of these institutions. We **welcome** the governance reforms that the international financial institutions have already undertaken, including the recent agreement regarding the quota review and voice reforms at IMF and related steps in the World Bank, and encourage further reforms in that direction.

58. **In the light of this review and recent events, we stress the need to convene a major international conference, *under United Nations auspices*, to review the international financial and monetary architecture and global economic governance structures. Such a conference should be at the summit level and should undertake a full examination of the structural issues that underpin international economic and financial governance. We will consider the modalities for such a conference in 2009.**

or

58. **In the light of this review and recent events, we stress the need for an international debate to review the international financial and monetary architecture and global economic governance structures in order to ensure a more effective and coordinated management of global issues. Such a debate should associate the World Bank, IMF, the United Nations and the World Trade Organization, should involve regional financial institutions and other relevant bodies and should take place in the context of the current initiatives aimed at improving the inclusiveness, legitimacy and effectiveness of the global economic governance structures, including the Group of 20.**

or

47 bis. **We resolve to strengthen the coordination of the United Nations system and all other multilateral financial, trade and development institutions to support economic growth, poverty eradication and sustainable development worldwide. Greater cooperation between the United Nations, the Bretton**

Woods institutions and the World Trade Organization is needed, based on a clear understanding and respect for their respective mandates and governance structures. (United States proposal to replace para. 58)

or

58 alt. **Welcoming the ongoing international discussions on global economic governance structures, we acknowledge the need to ensure that all countries, including low-income countries, are able to effectively participate in this process. We invite the International Monetary and Financial Committee and the Development Committee to take the appropriate actions to ensure full and equitable participation in the reform discussions.**

59. We commit ourselves to reinvigorating the global partnership for development in order to effectively address the full range of financing for development challenges facing the world today. We recognize that multiple financing for development challenges and opportunities have emerged since the Monterrey Conference, including the impact of the financial crisis, additional costs of climate change mitigation and adaptation and damage to the earth's environment, price volatility in international markets of key commodities, **expanding** economic cooperation, **including/with middle income countries/the expanding role of some middle income countries in international economic relations** and the growing needs for reconstruction and development of post-conflict countries, **the changes in the international cooperation architecture**. We reaffirm our resolve to take concerted global action to address all these areas while consistently furthering economic and human development for all.

59 bis. We are deeply concerned by the impact of the current financial crisis and global economic slowdown on the ability of developing countries to access the necessary financing for their development objectives. Developing countries and countries with economies in transition risk suffering very serious setbacks to their development objectives, in particular the achievement of the internationally agreed development goals, including the Millennium Development Goals. It is critical to adopt further decisive and prompt actions to contain the current crisis and restore sustained economic growth. Given this global context, we call the attention of all donors to the situation and needs of the poorest and most vulnerable. We also urge all donors to maintain and deliver on their ODA commitments and call on the international community, including the World Bank and IMF, to draw on the full range of their **policy advice and** resources, **as appropriate,**/and **policy advice, as appropriate,** to help developing countries and countries with economies in transition to strengthen their economies, maintain growth and protect the most vulnerable groups against the severe impacts of the current crisis. **In this context, it is also important for developing countries to maintain sound macroeconomic policies that support sustained economic growth and poverty eradication.**

60. The concern of the international community with climate change has increased markedly since the adoption of the Monterrey Consensus. Ongoing and potential responses to tackle this phenomenon have major financing for development implications and will incur substantial additional costs on all countries, thus requiring additional **and predictable** resources mobilization. We will address such implications in a timely and decisive way, **within the United Nations Framework Convention on Climate Change and its Kyoto Protocol** and in accordance with the principle of common but differentiated responsibilities and respective

capabilities. In this context, **and in conformity with the Bali Action Plan,**[8] **we will consider improved access to adequate, predictable and sustainable financial resources and financial and technical support and the provision of new and additional resources, including official and concessional funding for developing countries./we recognize the need to mobilize predictable, sustainable, new, additional and adequate investments and financial flows, including from the private sector, the carbon market, public sector and innovative instruments, to support nationally appropriate mitigation actions by developing countries enabled by technology, financing and capacity-building in a measurable, reportable and verifiable manner. Concerted efforts to address climate change should promote increased trade in environmental products and not result in trade distortions./We call for international climate change financing to be inclusive and equitable and delivered in line with established principles and mechanisms of development assistance such as country ownership and alignment with national priorities and systems. We encourage all parties to reach an agreement on a global and comprehensive plan to address climate change at the fifteenth Conference of the Parties to the United Nations Framework Convention on Climate Change in Copenhagen in December 2009. We call on all countries to integrate climate change in their policies and strategies.**

60 bis. The States parties to the Kyoto Protocol welcome the launching of the Adaptation Fund within the structure of the United Nations Framework Convention on Climate Change and look forward to its early operationalization. **We reaffirm the role of the Global Environment Facility as one of the main instruments of the Framework Convention and stress the importance of improving its mechanisms so that it can enhance its effectiveness and efficiency**. We stress the importance of public and private financial and technical support for adaptation and mitigation, taking into account the urgent and immediate needs of all those developing countries, especially those that are particularly vulnerable to the adverse impacts of climate change. This is critical for the least developed countries, small island developing States and other affected countries in Africa. **We underline that finance should also address the preservation of biodiversity and its associated eco-systems services, the fight against desertification and the sustainable management of water resources and forests.** We emphasize the importance of joint technology research and development as well as the transfer of safe, affordable, **sustainable** and environmentally sound technology to developing countries, as appropriate. We also recognize that in many countries environmental damage, including loss of biodiversity, desertification and deforestation, negatively impacts the ability to mobilize financing for development. **We will strengthen cooperation to develop energy systems that can assist in meeting development needs and are consistent with the necessity of stabilizing the global climate, in accordance with the principle of common but differentiated responsibilities and respective capabilities.**

60 and 60 bis alt. **The concern of the international community about climate change has increased markedly since the adoption of the Monterrey Consensus. Efforts to address climate change must be in accordance with the principle of common but differentiated responsibilities and respective capabilities and**

[8] FCCC/CP/2007/6/Add.1.

within the United Nations Framework Convention on Climate Change. Such efforts will entail significant additional financing needs for development, particularly for developing countries. We will address such requirements in a timely and decisive way. This is critical in order to address the urgent and immediate needs of developing countries, especially those that are particularly vulnerable to the adverse impacts of climate change, such as the least developed countries, small island developing States, and other affected countries in Africa. In this regard, we will facilitate access to adequate, predictable and sustainable financial resources and financial and technical support. The States parties to the Kyoto Protocol welcome the launching of the Adaptation Fund within the structure of the United Nations Framework Convention on Climate Change and look forward to its early operationalization with full support. We emphasize the importance of transfer of safe, affordable and environmentally sound technologies to developing countries, as well as joint technology research and development and capacity-building.

60 alt. **The concern of the international community with climate change has increased markedly since the adoption of the Monterrey Consensus. Ongoing and potential responses to tackle this phenomenon have major development implications and will incur substantial additional costs on all countries, thus requiring additional resources mobilization. We will address such implications in a timely and decisive way, within the United Nations Framework Convention on Climate Change and its Kyoto Protocol and in accordance with the principle of common but differentiated responsibilities. In this context, and in conformity with the Bali Action Plan,[8] we recognize the need to mobilize predictable, sustainable, new, additional and adequate investments and financial flows, including from the private sector, the carbon market, the public sector and innovative instruments, to support nationally appropriate mitigation actions by developing countries enabled by technology, financing and capacity-building in a measurable, reportable and verifiable manner. We call for international climate change financing to be inclusive, equitable and delivered in line with established principles and mechanisms of development assistance such as country ownership and alignment with national priorities and systems. We encourage all parties to reach an agreement on a global and comprehensive plan to address climate change at the fifteenth Conference of the Parties to the United Nations Framework Convention on Climate Change in Copenhagen in December 2009.**

60 bis alt. **We welcome the launching of the Adaptation Fund within the structure of the United Nations Framework Convention on Climate Change and reaffirm the role of the Global Environment Facility as a central instrument of the Framework Convention. We call on all countries to integrate climate change in their policies and strategies. We stress the importance of international financial support for adaptation and mitigation, taking into account the urgent and immediate needs of all developing countries, especially those that are particularly vulnerable to the adverse impacts of climate change. This is critical for the least developed countries, small island developing States and other affected countries in Africa. We underline that finance should also address the preservation of biodiversity and its associated ecosystem services, the fight against desertification and the sustainable management of water resources and forestry. We emphasize the importance of joint technology**

research and development as well as the transfer of safe, affordable, sustainable and environmentally sound technology to developing countries, as appropriate. We also recognize that in many countries, environmental damage, including loss of biodiversity, desertification and deforestation, negatively impacts on the ability to mobilize financing for development.

61. We also underscore the special challenges emerging from volatility in international commodity markets, particularly the volatility of food and energy prices. We take note of recent initiatives and will continue to mobilize resources to assist developing countries, in particular the least developed countries, attain food and energy security. At the same time, we recognize the necessity of a substantial sustainable expansion of food production in developing countries by enhancing investments and productivity in the agricultural sector, including in small-scale farms, promoting rural development and intensifying agricultural research. It is critical to eliminate barriers to food production, to improve processing and distribution over time and to have carefully targeted safety nets in the event of food crises. It is also important to eliminate **import and export restrictions and bans, especially for humanitarian food aid, and** subsidies **incompatible with international trade rules.** We recognize that food insecurity has multiple and complex causes and that its consequences require a comprehensive and coordinated response in the short, medium and long-term by national Governments and the international community. We thus encourage the development of an inclusive global partnership for agriculture and food. We acknowledge the work of the High-level Task Force on the Global Food Security Crisis established by the Secretary-General and encourage its continued engagement with States Members of the United Nations, relevant organizations, the private sector and, especially, farmers.

61 bis. We are concerned by evidence that many **low and middle-income developing countries** are vulnerable to negative **effects as a result of fuel price volatility. We will strengthen cooperation to develop energy systems that can assist in meeting development needs and are consistent with the necessity to stabilize the global climate, in accordance with the principle of common but differentiated responsibilities and respective capabilities.** We will strengthen our efforts to substantially increase the share of renewable energies and to promote energy efficiency and conservation. **We reaffirm that access to basic energy services and to clean and sustainable energy is indispensable to eradicate extreme poverty and to achieve the internationally agreed development goals, including the Millennium Development Goals. We will also take steps/*towards eliminating* to eliminate supply *distortions* in international *commodities and* energy markets.**

[Paragraph 62: moved to become paragraph 9 bis]

63. We acknowledge the recent efforts to bring to light the particular challenges faced by middle-income countries in the area of development, poverty eradication and inequality. We note the conferences held in Madrid in March 2007, in Sonsonate, El Salvador, in October 2007 and in Windhoek in August 2008 on international development cooperation with middle-income countries. We welcome the positive impact of expanding economic relations among middle income countries, as well as recent initiatives by the international financial institutions to enhance their facilities for them.

63 bis. Consensus has emerged since Monterrey that countries emerging from conflict and **in fragile situations** are an important part of the international agenda. Many of the poorest continue to live in post-conflict States where inadequate infrastructure and low investment prevent the delivery of basic social services and limit the productive capacity of the economy. We affirm the importance of providing seamless assistance to peacebuilding efforts, including humanitarian assistance, rehabilitation and nation-building, and assistance for governance and improvement of social and economic infrastructure. We welcome the efforts of the international community to provide flexibility to post-conflict developing countries regarding debt relief and restructuring and stress the need to continue those efforts in order to help those countries, especially those that are heavily indebted and poor, to achieve initial reconstruction for economic and social development, particularly for the early recovery period. We will step up our efforts to assist countries in accessing financing for development in the post-conflict context. In this regard, we welcome the valuable work of the United Nations Peacebuilding Commission and the Peacebuilding Fund, as well as commitments outlined in **the Accra Agenda for Action.**[9]

63 ter. **We note that since the Monterrey Conference, despite economic growth, there has been a rise in inequalities, both nationally and internationally; these growing inequalities threaten social cohesion and are a potential source of conflict. We call on all countries to tackle inequalities to promote sustainable and inclusive growth.**

Staying engaged

64. We recommit ourselves to staying fully engaged, nationally, regionally and internationally, to ensuring proper and effective follow-up to the implementation of the Monterrey Consensus, taking into account the intergovernmentally agreed outcome document adopted at this conference. We will also continue our unremitting efforts to build bridges between all relevant stakeholders within the holistic agenda of the financing for development process. **We appreciate the role played by the United Nations as a focal point for the financing for development follow-up process. It will be important to maintain this role to ensure the continuity and dynamism of our process. We reaffirm the need to further intensify the engagement of all stakeholders, including the United Nations system, the World Bank, IMF and the World Trade Organization in the follow-up and implementation of the commitments made in Monterrey and reiterated here at Doha.**

64 bis. **We recognize that maintaining a comprehensive and diverse multi-stakeholder follow-up process, including with civil society and the private sector, is critical. We also recognize the core responsibility of all participants in the financing for development process to exercise ownership of it and to implement their respective commitments. It is important that the follow-up process be undertaken in an integrated fashion, including through the continued engagement of all relevant ministries, in particular ministries of development, finance, trade and foreign affairs. An integrated treatment of financing for development issues in national development plans is also**

[9] A/63/539, annex.

important in enhancing national ownership and implementation of financing for development. The international community should continue to draw upon the expertise, data and analysis available in multiple forums, while enhancing information sharing and dialogue between the various United Nations and non-United Nations bodies that monitor progress on financing for development issues. There is substantial room to enhance the sharing of best practices.

65 alt. **We acknowledge the need for a strengthened and more effective intergovernmental structure to carry out the financing for development follow-up, which would review progress in the implementation of commitments, identify obstacles, challenges and emerging issues and propose concrete recommendations and actions. We request the President of the General Assembly to convene, no later than March 2009, open, transparent and inclusive intergovernmental negotiations for finalizing the modalities of this mechanism during the sixty-third session of the General Assembly.**

65 alt. **We acknowledge the need to encourage the improvement of existing follow-up mechanisms, taking into account various proposals that have been put forward. The follow-up of the Monterrey Consensus should be discussed at the spring meeting of the Economic and Social Council in 2009.**

65 alt. **We acknowledge the need for a more effective intergovernmental process for the financing for development follow-up, taking into account various proposals that have been put forward. We request the Economic and Social Council to consider this matter at its 2009 substantive session with a view to making appropriate and timely recommendations for final action by the General Assembly at its sixty-fourth session.**

66. **We will consider the need/We decide/to hold a follow-up financing for development conference by/in 2013. The modalities of that conference shall be decided upon not later than 2012.**